GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Industries & Commerce Department – Working capital request for 4 Cooperative Sugar Factories for the season 2017-18 availing of Financial assistance for working capital from NCDC – Issue of Government default Guarantee for an amount of Rs.235.00 crores in favour of NCDC – Orders – Issued.

INDUSTRIES & COMMERCE (PROG.II) DEPARTMENT

G.O.MS.No. 9 Dated: 10-01-2018

Read the followings:

1. From the Director of Sugar &Cane Commissioner lr no. D1/122/2017, DT. 22.05.2017
2. From the Director of Sugar &Cane Commissioner lr no. D1/123/2017, DT. 22.05.2017
3. From the Director of Sugar &Cane Commissioner lr no. D1/124/2017, DT. 22.05.2017
4. From the Director of Sugar &Cane Commissioner lr no. D1/125/2017, DT. 22.05.2017
5. Minutes of the GoM meeting held on 05.07.2017

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ORDER:

The DoS&CC references 1st to 4th read above has stated that a Joint meeting is convened by the Secretary to Government, Food Processing, Government of Andhra Pradesh on 05-05-2017 with the officials of National Cooperative Development Corporation, Hyderabad and Managing Directors of Cooperative Sugar Factories in connection with obtaining the term loans at lesser interest rates by the needy cooperative sugar factories to avoid higher rate of interest being charged by the APCOB. In this regard, he has informed that the APCOB is charging 12.5% interest rate on working capital loan whereas the NCDC, Hyderabad assured to extend working capital loans @ 8.5% interest rate which is 4% less than the interest rate being charged by the APCOB. During the meeting, the Secretary to Government, Food Processing has advised the Managements of the CSFs to get loans from NCDC instead of APCOB to reduce the interest burden on the respective CSFs. The Chief Director, NCDC, Hyderabad has also assured for extending the loans to the needy CSFs at lesser interest rates. He has further informed that the pre-seasonal overhauling works of the CSF is to be taken up on priority basis to keep the plant ready for the ensuing crushing season 2017-18.

2) Therefore the DoS&CC has requested to accept the following proposals of Sugar factories to obtain the loans from NCDC, New Delhi, by giving Government default guarantee:

a). M/s The Chodavaram Cooperative Sugars Limited., Govada: for sanction of working capital loan amount of Rs.120.00 Crores besides clearing the balance loan amount of Rs.76.00 crores together with interest payable to APCOB.

b). M/s Etikoppaka Cooperative Agricultural & Industrial Society Limited: for sanction of working capital loan amount of Rs.45.00 Crores besides clearing the balance loan amount of Rs.20.96 crores together with interest payable to APCOB.

c). M/s Thandava Coop. Sugars Ltd : for sanction of working capital loan amount of Rs.40.00 Crores.

d). M/s Sri Vijayarama Gajapathi Cooperative Sugars Limited : for sanction of working capital loan amount of Rs.30.00 Crores.

(P.T.O)

3) The total required Loan amount is 235.00 crores for the four Co.operative Sugar factories.

4) As per the recommendations of the DoS&CC, Tadepalli the matter was placed before the Group of Ministers meeting held on 05.07.2017. After examine the issue the Group of Ministers have recommended to extend Government default Guarantee for an amount of Rs.235.00 Crores to the NCDC to enable the (4) working CSFs to avail working capital loan at about 8.5% interest rate instead of availment of loan from APCOB, which will be charged @ 12.50%.

5) Government after careful examination of the proposal, hereby accepted to extended Government default Guarantee for principal amount of Rs.235.00 Crores Only to the NCDC, New Delhi to enable the (4) working CSFs to avail working capital loan at about 8.5% interest rate instead of availment of loan from APCOB, which will be charged @ 12.50%.

6) The Director of Sugar & Cane Commissioner is requested to collect gurantee commission @ 2% and Principal Loan amount from the Coopertative Sugar Factories and remit the same to the State Government Account.

7) Separate Guarantee Deeds will be executed by the Secretary to Government, Finance Department, after the actual amounts are sanctioned by the NCDC, New Delhi.

8) The Director of Sugar & Cane Commissioner, Tadepalli, Guntur District shall take further necessary action in the matter accordingly.

9) This order issues with the concurrence of the Fin.(FMU. Rev.-I&C) Dept., vide their U.O.No.45027/299/2017, Dated:01.01.2018.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

M. GIRIJA SHANKAR
SECRETARY TO GOVERNMENT

To
The Director of Sugar & Cane Commissioner, Tadepalli,
Guntur District.
M/s the Chodavaram Cooperative Sugars Limited, Govada, Anakapalli,
Visakhapatnam
M/s Etikoppaka Cooperative Agricultural & Industrial Society.
M/s. Thandava Cooperative Sugars Limited.
M/s. Sri Vijayarama Gajapathi Cooperative Sugars Limited.
Copy to:
The Finance .(FMU. Rev.-I&C) Department.
The Accountant General, Andhra Pradesh, Hyderabad.
The P.S. to Prl. Secretary to C.M.
The P.S. to Secretary to Government, Finance
Department.
The P.S. to Secretary to Government (Sugar)
Sf/Sc

//FORWARDED :: BY ORDER//

SECTION OFFICER